TAS / CAS
TRIBUNAL ARBITRAL DU SPORT
COURT OF ARBITRATION FOR SPORT
TRIBUNAL ARBITRAL DEL DEPORTE

**CAS 2025/A/11294 Urawa Red Diamonds v. Per-Mathias Hogmo**

# ARBITRAL AWARD

**delivered by the**

# COURT OF ARBITRATION FOR SPORT

**sitting in the following composition:**

Sole Arbitrator: Mr. James Kitching, Attorney-at-Law, Adelaide, Australia

**in the arbitration between**

**Urawa Red Diamonds**, Japan

Represented by Mr. Shoichi Sugiyama and Mr. Shun Takahashi, Field-R Law Offices, Tokyo, Japan, and Ms. Marisa Fernandez Nakajima, Fernandez Nakajima Law Office, Tokyo, Japan

**- Appellant -**

**and**

**Per-Mathias Høgmo**, Norway

Represented by Mr. Ludovic Delechat, Atlas Entertainment & Advisory, Zurich, Switzerland

**- Respondent -**

## I. PARTIES

1. Urawa Red Diamonds (the "Appellant") is a football club based in Saitama, Japan, affiliated with the Japanese Football Association ("JFA") and participating in the Japanese J1 League ("J1"), which is in turn affiliated with the Asian Football Confederation and FIFA.

2. Per-Mathias Høgmo (the "Respondent") is a Norwegian football coach.

3. The Appellant and the Respondent are jointly referred to as the "Parties".

## II. FACTUAL BACKGROUND

4. Below is a summary of the relevant facts and allegations based on the Parties' written submissions, pleadings and evidence adduced in these proceedings. Additional facts and allegations found in the Parties' written submissions, pleadings and evidence may be set out, where relevant, in connection with the legal discussion that follows. The Sole Arbitrator has considered all the facts, allegations, legal arguments and evidence submitted by the Parties in the present proceedings. However, it refers in this Award only to the submissions and evidence it considers necessary to explain its reasoning.

### A. Background Facts

5. On or around 27 November 2023, the Parties appeared to have executed a 'pre-employment agreement' (the "Pre-Contract"). The version provided was executed only by the Appellant. The Pre-Contract relevantly stated:

*"(1) Contract period: From February 1, 2024 to December 31, 2024.*
*(A contract year is defined as a period of 12 consecutive months from February 1 to January 31 of the following year.)"*

6. On 31 January 2024, the Parties executed an employment contract for the term 1 February 2024 to 31 December 2024 (the "Contract"). The term sheet of the Contract (referred to as the "*Contractual Condition*") relevantly stated:

| | |
|---|---|
| *Position and duties* | *First team head coach* |
| *Basic remuneration (Article 6)* | *- First contract year*<br>*(from February 1, 2024 to December 31, 2024)*<br>*Total remuneration (annual) €693,181.82*<br>*(monthly) €63,016.00*<br>*However, for February €63,021.82*<br><br>*- Second contract year*<br>*(from February 1, 2025 to December 31, 2025)*<br>*Total remuneration (annual) €693,181.82* |

| | |
|---|---|
| | *(monthly) €63,016.00*<br>*However, for February €63,021.82*<br><br>*- The Second contract year will only occur if the conditions set out in the Option are fulfilled. In addition, the basic remuneration for the Second contract year will automatically be increased by EUR 30,000.00 (GROSS) in the event of a 3rd place finish or better in the J1 League for the 2024 season.* |
| *Term of contract (Article 22)* | *From February 1, 2024 to December 31, 2024.* |
| *Notification of renewal (Article 26)* | *The Club must notify to the Coach of whether or not the agreement will be renewed by November 30, 2024.* |
| *Option* | *The Club and the Coach agree to enter into a second contract year (from February 1, 2025 to December 31, 2025). The basic remuneration shall be as set out in (3)(2) of this article) if the Club is placed 10th or higher at the end of October in the J1 League (as defined in Article 40(1)(i) of the J-League Statutes for the season in question) for the 2024 season. In the event of these conditions being fulfilled, the Club and Coach agree that it cannot be refused.* |

7. In addition, the following clauses of the Contract are relevant:

*"Article 23. (Termination of Agreement by Club)*

*(2) If this Agreement is terminated based on* […] *other reason during the term of this Agreement, it will be sufficient for Club to pay Coach the remuneration corresponding to proportion of the period after the termination of this Agreement as to the remuneration set forth in Article 5(1)(1), and Club will be exempted from its obligation to pay the remuneration with respect to the period after termination of this Agreement.*

[…]

*Article 29. (Entire Agreement)*
*This Agreement constitutes the entire agreement between the Club and Coach and supersedes any prior written or oral agreements with respect to the matters set forth in this Agreement."*

8. On or around 17 August 2024, the Appellant was placed thirteenth in the Japanese J-League 1 standings. This sporting performance did not align with the expectations of the senior leadership of the Appellant.

9. On 26 August 2024, the Appellant held a meeting with its coaching staff, which included the Respondent, his first-team coach, Mario Chavez ("First Team Coach"), and other members of the staff. The Appellant proposed a mutual termination of employment, which was rejected.

10. On 3 September 2024, the Appellant confirmed its unilateral termination of the Contract in writing.

11. Over the subsequent months, the Parties sought to negotiate an amicable solution. Their primary point of difference was that the Respondent contended that he should be remunerated until 31 December 2025 whereas the Appellant contended that it was only obligated to remunerate the Respondent until 31 December 2024. The Appellant continued to pay the monthly salary of the Respondent during this period. No amicable solution was eventually reached.

12. On 9 November 2024, the Respondent filed a claim before FIFA. Due to the Respondent allegedly submitting contact details for the Appellant which were for a long-departed staff member, the Appellant was neither notified of the claim within the FIFA Legal Portal, nor provided the opportunity to respond.

13. On 25 November 2024, the Appellant paid the Respondent an amount equivalent to the November 2024 salary set out in the Contract ("November Salary").

14. On 23 December 2024, the Appellant paid the Respondent an amount equivalent to the December 2024 salary set out in the Contract ("December Salary"), deducting some minor expenses in accordance with its departure provisions.

15. On 8 January 2025, the Respondent executed an employment contract with Molde, a Norwegian club, for the term 8 January 2025 to 31 December 2026, with a possible extension option until 31 December 2027 (the "Molde Agreement"). Article 4 of the Molde Agreement relevantly provided for a gross annual salary of:

"*- 2025: NOK 1,400,000*
*- 2026: NOK 9,000,000*
*- 2027: NOK 5,200,000 (conditional upon extension of the agreement)"*

16. On 28 January 2025, the FIFA Players' Status Committee ("PSC") rendered its decision is favour of the Respondent ("Decision"). A copy was notified to the JFA. The Decision relevantly provided (emphasis added):

*"1. The claim of the Claimant, Per-Mathias Hogmo, is partially accepted.*

*2. The Respondent, Urawa Red Diamonds, must pay to the Claimant* ***EUR 72,014.50 as compensation for breach of contract without just cause****, plus 5% interest p.a. as from 27 August 2024 until the date of effective payment.*

*3. Any further claims of the Claimant are rejected."*

17. On 31 January 2025, the JFA brought the Decision to the attention of the Appellant. This was allegedly the first time that the Appellant became aware of the claim.

18. On 7 March 2025, the FIFA PSC notified the grounds of its Decision. For an unknown reason which was not set out within the grounds, the terms of the Decision were different to those notified previously, as follows (emphasis added):

*"1. The claim of the Claimant, Per-Mathias Hogmo, is partially accepted.*

*2. The Respondent, Urawa Red Diamonds, must pay to the Claimant* ***EUR 183,274.50 as compensation for breach of contract*** *plus 5% interest p.a. as from 27 August 2024 until the date of effective payment.*

*3. Any further claims of the Claimant are rejected."*

19. In short, the Decision held that:

- poor sporting performance was not a valid reason for the unilateral termination of the employment contract. The Appellant had acted without just cause. The date of termination was to be considered the date that the Appellant had offered the Respondent a mutual termination agreement; this constituted a "*point-of-no-return*" for the Parties;

- pursuant to Article 6 of Annexe 2 to the FIFA Regulations on the Status and Transfer of Players ("FIFA RSTP"), the Appellant was required to pay compensation to the Respondent, consisting of the November Salary, the December Salary, and the monthly salary for January 2025 ("January Salary"). This amount was mitigated by the first monthly salary earned by the Respondent in the first year of the Molde Agreement;

- the January Salary was included in the compensation payable based on contractual wording which stated "*(A contract year is defined as a period of 12 consecutive months from February 1 to January 31 of the following year.)"*; and

- the Respondent's claim that he was owed compensation for the second "*optional year*" was rejected on the basis that the sporting objective required for the condition for the employment contract to be automatically extended was not satisfied.

20. The grounds of the Decision made clear that:

- the Respondent only filed the Pre-Contract before FIFA. The Decision refers to language solely within the Pre-Contract, and to a date of execution consistent with the Pre-Contract. No reference to the Contract appears in the Decision; and

- the Respondent failed to notify FIFA that he had received the November Salary and December Salary prior to the issuance of the Decision.

## III. PROCEEDINGS BEFORE THE COURT OF ARBITRATION FOR SPORT

21. On 27 March 2025, the Appellant filed a Statement of Appeal with the Court of Arbitration for Sport ("CAS") pursuant to Articles R47 and R48 of the Code of Sports-related Arbitration (the "Code"). On the same date, the Appellant filed a Statement of Appeal in a linked matter related to the First Team Coach (*CAS 2025/A/11295*). The linked matter was heard concurrently with this matter. While the Parties agreed during the procedure for both matters to be heard by the same Sole Arbitrator, and the file for both matters contained the same submissions and evidence, the matters were never formally consolidated.

22. On 3 April 2025, the Appellant requested an extension of time of ten (10) days to file its Appeal Brief.

23. On 4 April 2025, the CAS Court Office confirmed that the deadline for the Appellant to file its Appeal Brief was extended by ten (10) days.

24. On 17 April 2025, the Appellant submitted its Appeal Brief.

25. On 28 April 2025, the Respondent requested that the deadline for filing his Answer be set after the Appellant's payment of its share of the advance of costs, in accordance with Article R64.2 and Article R55 of the Code.

26. On 29 April 2025, the CAS Court Office notified that the request to set aside the time limit for filing the Answer was rejected as the Appellant had paid its share of the advance of costs.

27. On 7 May 2025, the Respondent requested an extension of time of twenty (20) days to file his Answer, which was subsequently granted by the Deputy Division President.

28. On 12 May 2025, the CAS Court Office informed the Parties, in accordance with Article R54 of the CAS Code, and on behalf of the Deputy President of the CAS Appeals Arbitration Division, that the arbitral tribunal appointed to decide the present matter was constituted as follows:

    Sole Arbitrator: Mr. James Kitching, Attorney-at-Law, Adelaide, Australia

29. On 22 May 2025, the Respondent provided his Answer.

30. On 4 July 2025, the CAS Court Office confirmed that a hearing would be held at the CAS Court Office in Lausanne, Switzerland, on 11 September 2025.

31. On 19 August 2025, the Respondent issued a communication related to the current matter and the linked matter which relevantly stated:

    "*The Respondents confirm that the payments corresponding to their contractual salary entitlements up to and including 31 December 2024 have been duly settled by the Appellant, in line with the respective FIFA decisions.*

*Although the Respondents maintain their belief that the 2025 optional year of the contract ought to have been recognized, they acknowledge that FIFA did not uphold this claim. In the interest of finality, the Respondents expressly waive any further request for recognition of the 2025 optional year before the CAS. Given that the FIFA decisions have been executed and that the Respondents no longer seek to pursue the optional year, the matter is now devoid of any live controversy."*

[…]

*In light of the above, we respectfully request* […] *the closure of these cases.*"

32. On 22 August 2025, the Appellant relevantly responded as follows:

"*It must be emphasized that the Respondents erroneously assert in the Letter that the renumeration* [sic] *payments for November and December 2024 were "duly settled in line with the respective FIFA decisions". In reality, as set forth in the Appellant's Appeal Brief, the Appellant made such payments on 25 November and 23 December 2024, which are well in advance of the issuance of the FIFA decisions.*

[…]

*... as the Respondents never procedurally contested the optional year, the only issues in this case are (i) whether the Respondents had already received compensations equivalent for salary for November and December 2024, and (ii) whether January 2025 is included the residual value of the Contract (i.e. the one-month salary erroneously granted by the FIFA PSC). As the Respondents had already acknowledged outside the proceedings before the filing of the appeal that the entire remuneration of the first contractual year had been paid, there was no dispute between the parties on this point at early stage. Thus, the Respondents could have waived all its claims before the Appellant filed its appeals before the CAS, rather than waiting until 19 August 2025. Had the Respondents declared its waiver at an earlier stage, the Appellant would not have been compelled to bear the costs of the Court fee, the administrative costs, and legal fees.*

*At the very least, the Respondents could have admitted the Appellant's claims when filing its Answer, but it failed to do so. As a result, a hearing has been scheduled for 11 September 2025. With three weeks remaining until that date, the Appellant has already incurred travel and accommodation expenses approaching JPY 1,000,000 (equivalent to CHF 6,000), much of which is non-refundable.*

[…]

*As set forth in the Appellant's Appeal Brief, had the Respondents disclosed before the FIFA PSC decisions that they had already received the salaries for November and December 2024, and submitted supporting evidence, the FIFA PSC decisions of 28 January 2025 would never have been rendered.*

[…]

*Considered from another standpoint, the FIFA PSC decisions has* [sic] *already been published, albeit anonymously, on FIFA's official website. The Appellant therefore requires an arbitral award annulling that erroneous decisions, in order to restore its reputation, which has been harmed by the fraudulent manner in which the Respondents obtained the FIFA PSC decisions.*"

33. On 25 August 2025, the CAS Court Office notified that the hearing had been cancelled and invited the Respondent to comment on the Appellant's response.

34. On 29 August 2025, the Respondent relevantly commented as follows:

"*Contrary to the Appellant's position, the necessity for an arbitral award does not exist. The Respondents have already clarified that remuneration up to December 2024 was duly paid. The Appellant's attempt to extend its claim to January 2025 is baseless, as the optional year was never validly exercised. It is therefore incorrect to suggest that any part of the FIFA Players' Status Committee ("FIFA PSC") decision was "erroneous."*

[…]

*The Appellant seeks to create confusion regarding payments for November and December 2024. The Respondents reiterate that such remuneration was settled in accordance with FIFA's decisions. The payments made by the Appellant in late November and December 2024 do not alter the fact that obligations were fulfilled. The Appellant's suggestion that there was a procedural deficiency on the Respondents' part is therefore unfounded.*

[…]

*The Appellant's assertion that its "reputation has been harmed" by the FIFA PSC decisions is without merit. The FIFA PSC decisions were based on the contractual facts as presented and do not amount to fraudulent conduct. The Respondents reject in the strongest terms any insinuation of fraud.*"

35. On 1 September 2025, the CAS Court Office notified that the evidentiary proceedings in this matter were closed in accordance with Article R59 of the Code.

## IV. SUBMISSIONS OF THE PARTIES

### A. The Appellant's submissions

36. The Appellant's submissions, set out in the Appeal Brief and subsequent communication of 22 August 2025, are summarised as follows:

- the Decision failed to recognise its payment of the November Salary and December Salary prior to the issuance of the Decision and erroneously included the January Salary when calculating compensation for breach of contract. The Respondent has

admitted on several occasions that he received the November Salary and the December Salary;

- the Appellant was required to pay compensation equivalent to the residual value of the Contract at the time of termination;

- the Decision incorrectly cites the term of the Contract. The Contract clearly states that the "*first contract year*" is "*from February 1, 2024 to December 31, 2024*". The wording "*(1) Contract Period: From February 1, 2024 to December 31, 2024. (A contract year is defined as a period of 12 consecutive months from February 1 to January 31 the following year.)"* does not appear in the Contract. The FIFA PSC therefore erroneously included the January Salary when calculating compensation for breach of contract;

- as the Respondent did not file an appeal against the Decision, the issue of whether the FIFA PSC correctly disregarded the second "*optional year*" is not in dispute. Any assertion otherwise is inadmissible (cf *CAS 2019/A/6626*; *CAS 2017/A/5481*; *CAS 2017/A/5336*); and

- in the alternative, if the Decision correctly included the January Salary when calculating compensation for breach of contract, the Respondent deliberately lowered his remuneration in the first year of the Molde Agreement to avoid mitigating his damage. The CAS should adjust the amount of mitigation based on the average salary between the first and second year of the Molde Agreement (cf *CAS 2022/A/8963*). The amount to be mitigated should be NOK 5,200,000.

37. The Appellant requested the following relief:

"*(1) To annul the Decision;*

*(2) To dismiss all claims by the Coach at the FIFA PSC;*

*(3) To order the Coach to bear the costs of arbitration (including the procedural costs incurred by the Appellant in connection with this procedure); and*

*(4) To order the Coach to pay to the Appellant legal fees incurred by the Appellant in connection with this procedure.*"

## B. The Respondent's submissions

38. The Respondent's submissions set out in the Answer, which were modified by the letters dated 19 August 2025 and 29 August 2025, are summarised as follows:

- the Respondent entered a valid and enforceable employment contract with the Appellant in January 2024, covering the period from 1 February 2024 to 31 December 2024. The employment contract contained a renewal clause, automatically extending the term for the 2025 calendar year if the Appellant was placed in the top 10 of the J1 by the end of October 2024;

- in accordance with the employment contract, and contrary to what was alleged, the "*salaries were to be paid…from February to January of next year*";[1]

- at the time of termination, the Appellant projected a top 10 finish, based on statistically accepted metrics such as points per game;

- Article 6 of Annexe 2 of the FIFA RSTP provides that a coach may only be dismissed for just cause. The "*abrupt dismissal of following a performance trajectory consistent with expectations – coupled with the immediate replacement of the Respondents – constitutes termination without just cause*". FIFA and CAS jurisprudence provide that bad sporting results cannot constitute just cause to unilaterally terminate an employment contract with a coach;

- the FIFA RSTP and Swiss Code of Obligations entitle the Respondent to the residual value of the terminated contract. The automatic renewal clause was still realistically attainable. Its "*frustration through unjust dismissal entitles* [the Respondent] *to 2025 remuneration in accordance with FIFA and CAS jurisprudence*". This includes:

  "*- EUR 762,500 salary for 2025*
  *- EUR 67,500 signing bonus for 2025 (contractually defined)*
  *- EUR 127,083 for November-December 2024*
  *- Plus 5% annual interest from 26 August 2024*"

- the Respondent fulfilled his duty to mitigate under Swiss law and FIFA jurisprudence. The Appellant's claim that the lower salary in the first year of the Molde Agreement was a deliberate attempt to supress mitigation is speculative and contradicted by CAS jurisprudence. The average of the salary across the three (3) contract years in the Molde Agreement was "*not a salary manipulation, but an amortized start to a longer agreement*".

39. The Respondent initially requested the following relief:

"*1. To enforce its jurisdiction and to accept the present submission;*

*2. To dismiss the appeal lodged by the Appellant as groundless;*

*3. To upheld the FIFA PSC Decision rendered on 7 March 2023* [sic]*;*

*4. To consider the Appellant liable for breach of contract;*

*5. To condemn the Appellant to pay the Respondents the following outstanding amounts:*

[1] The Sole Arbitrator notes that the Respondent exhibited the Pre-Contract as his alleged employment contract. The Contract was not provided by the Respondent, nor was it referred to in the Answer. No submission was made by the Respondent as to the validity or applicability of the Pre-Contract *vis-à-vis* the Contract, or vice-versa.

*· Per-Mathias Hogmo: EUR 183,274.50 as compensation for breach of contract plus 5% interest p.a. as from 27 August 2024 until the date of effective payment*

[…]

*6. To reserve for the Respondents the right to make further reliefs, pleadings, amplify his claim for damages during the whole duration of the proceedings, to supplement and modify the claim set forth herein, and to submit further briefs, documents, exhibits and any other evidence at their own discretion in the course of the proceedings herein;*

*7. To debar the Appellant from making any other or contrary pleadings.*

[…]

*1. Award any and all costs, expenses and fees arising in connection with the present arbitration proceedings, including but not limited to the attorney's fees of the Respondents against the Appellant.*

*2. Such other relief as the CAS shall deem appropriate."*

40. In his letters dated 19 August 2025 and 29 August 2025, the Respondent confirmed that he had received payment of the November Salary and December Salary from the Appellant in line with the Decision and waived any request for "*recognition of the 2025 optional year before the CAS*".

41. In his letter dated 29 August 2025, the Respondent requested further relief which, with respect to the second prayer, directly contradicted his own interests (considering that he had been awarded the January Salary by the FIFA PSC):

*"Dismiss the Appellant's claims in their entirety;*

*Reject any claim for remuneration for January 2025, as the optional year was never validly exercised;*

*Order the Appellant to bear the entirety of the arbitration costs and the Respondents' legal fees."*

## V. JURISDICTION

42. Article R47 of the Code provides as follows:

*"An appeal against the decision of a federation, association or sports-related body may be filed with the CAS insofar as the statutes or regulations of the said body so provide or as the parties have concluded a specific arbitration agreement and insofar as the Appellant has exhausted the legal remedies available to him prior to the appeal, in accordance with the statutes or regulations of the said sports-related body."*

43. Article 50.1 of the FIFA Statutes (June 2024 Edition) states:

*"Appeals against final decisions passed by FIFA and its bodies shall be lodged with CAS within 21 days of receipt of the decision in question."*

44. The jurisdiction of CAS derives from both Article R47 of the Code and Article 50.1 of the FIFA Statutes. It is not contested and is further confirmed by the Order of Procedure duly signed by the Parties.

45. It follows that CAS has jurisdiction to hear, adjudicate, and decide the present dispute.

## VI. ADMISSIBILITY

46. Article R49 of the Code provides as follows:

*"In the absence of a time limit set in the statutes or regulations of the federation, association or sports-related body concerned, or of a previous agreement, the time limit for appeal shall be twenty-one days from the receipt of the decision appealed against. After having consulted the parties, the Division President may refuse to entertain an appeal if it is manifestly late."*

47. Article 50.1 of the FIFA Statutes (June 2024 Edition) states:

*"Appeals against final decisions passed by FIFA and its bodies shall be lodged with CAS within 21 days of receipt of the decision in question."*

48. The grounds of the Decision were notified on 7 March 2025, and the Appellant filed its Statement of Appeal on 27 March 2025, within the twenty-one (21) day time limit provided by the FIFA Statutes.

49. The appeal is therefore admissible.

## VII. APPLICABLE LAW

50. Article R58 of the Code provides as follows:

*"The Panel shall decide the dispute according to the applicable regulations and the rules of law chosen by the parties or, in the absence of such a choice, according to the law of the country in which the federation, association or sports-related body which has issued the challenged decision is domiciled or according to the rules of law, the application of which the Panel deems appropriate. In the latter case, the Panel shall give reasons for its decision."*

51. Article 49.2 of the FIFA Statutes (June 2024 Edition) states:

*"The provisions of the CAS Code of Sports-related Arbitration shall apply to the proceedings. CAS shall primarily apply the various regulations of FIFA, and additionally, Swiss law."*

52. Accordingly, the present dispute shall be decided by applying the FIFA regulations, primarily the FIFA RSTP, with Swiss law applying subsidiarily to fill any *lacuna*.

## VIII. MERITS

53. According to Article R57 of the Code, the Sole Arbitrator has "*full power to review the facts and the law*". As consistently stated in the CAS jurisprudence, by reference to this provision, the CAS appeals arbitration procedure entails a *de novo* review of the merits of the case and is not confined merely to deciding whether the ruling appealed was correct or not. Accordingly, it is the function of the Panel to make an independent determination as to the merits (cf *CAS 2007/A/1394*).

54. Given the Parties' respective submissions, the Sole Arbitrator considers that there are four (4) main issues for determination:

(i) Is it necessary for an Award to be rendered in this matter?

(ii) Which employment contract governs the relationship between the Parties?

(iii) Did the Appellant unilaterally terminate the employment contract with or without just cause?

(iv) What are the subsequent consequences?

### A. Is it necessary for an Award to be rendered in this matter?

55. Prior to assessing the merits, it is necessary to address the request of the Respondent that this matter be terminated and no Award rendered.

56. The Respondent made this request on the basis, *inter alia*, that he had "*already clarified that remuneration up to December 2024 was duly paid. The Appellant's attempt to extend its claim to January 2025 is baseless, as the optional year was never validly exercised. It is therefore incorrect to suggest that any part of the* [Decision] *was "erroneous*"."

57. The Appellant objected to the request on the basis, *inter alia*, that:

- the Respondent did not address the January Salary which formed part of the compensation awarded;

- the Respondent erroneously asserted that the November Salary and December Salary were "*duly settled in line with* [the Decision]". These were paid prior to the Decision being issued and should have been notified to FIFA accordingly;

- the Respondent cannot waive any claim relating to the second "*optional year*" as he did not appeal the Decision;

- the procedural conduct of the Respondent, in not admitting payment of the November Salary and December Salary, and indirectly waiving the January Salary, caused the Appellant to bear significant fees and expenses, including those related to a potential in-person hearing in Lausanne; and

- the Decision is published on the FIFA website (albeit in anonymous form). The Appellant requires *"an arbitral award annulling that erroneous* [Decision]*, in order to restore its reputation, which has been harmed by the fraudulent manner in which the Respondents obtained the* [Decision]".

58. The Sole Arbitrator agrees with the Appellant that an Award is necessary to both clarify the matters in dispute and to apportion costs. This is particularly evident considering that the Parties rely on different contracts as the basis for their employment relationship.

**B. Which employment contract governs the relationship between the Parties?**

59. The Respondent relies on the Pre-Contract as the contract that governs the employment relationship between the Parties. The Respondent adopted this position before the FIFA PSC and CAS. The Respondent did not refer to, or acknowledge, the Contract in his Answer or subsequent communications.

60. The Appellant asserts that the Contract is the employment contract that governs the employment relationship between the Parties. The Appellant did not refer to the Pre-Contract in its Appeal Brief or subsequent communications.

61. The preamble of the Pre-Contract indicates that the Parties will eventually enter a new coaching agreement commencing from 1 February 2024:

"*Urawa Red Diamonds (hereinafter referred to as the "Club") and Per-Mathias Hogmo (hereinafter referred to as the "Coach") hereby agree to enter into a Coach Agreement (hereinafter referred to as the "Agreement") for February 1, 2024 and thereafter and enter into this Pre-Employment Agreement (hereinafter referred to as the "Pre-Employment Agreement")".*

62. Consistent with that preamble, the Parties executed the Contract on 31 January 2024 for a term commencing on 1 February 2024. The Contract relevantly stated that:

"*This Agreement constitutes the entire agreement between the Club and Coach and supersedes any prior written or oral agreements with respect to the matters set forth in this Agreement.*"

63. This clear wording demonstrates that the Parties agreed that the Contract has superseded the Pre-Contract.

64. As such, the Sole Arbitrator is comfortably satisfied that the Contract is the employment contract that governs the employment relationship between the Parties.

**C. Did the Appellant unilaterally terminate the employment contract with or without just cause?**

65. To its credit, the Appellant does not dispute that its unilateral termination of the Contract based on its poor sporting performance during the 2024 J1 season was made "*without just cause*" for the purpose of the FIFA RSTP.

66. Considering this, the Sole Arbitrator is comfortably satisfied that the Appellant terminated the Contract without just cause.

**D. What are the subsequent consequences?**

67. Article 6.1 of Annexe 2 to the FIFA RSTP sets out the consequences where an employment contract between a club and a coach is terminated:

*"1. In all cases, the party in breach shall pay compensation.*

*2. Unless otherwise provided for in the contract, compensation for the breach shall be calculated as follows:*

*Compensation due to a coach*

*a) In case the coach did not sign any new contract following the termination of their previous contract, as a general rule, the compensation shall be equal to the residual value of the contract that was prematurely terminated.*

*b) In case the coach signed a new contract by the time of the decision, the value of the new contract for the period corresponding to the time remaining on the prematurely terminated contract shall be deducted from the residual value of the contract that was terminated early (the "Mitigated Compensation"). Furthermore, and subject to the early termination of the contract being due to overdue payables, in addition to the Mitigated Compensation, the coach shall be entitled to an amount corresponding to three monthly salaries (the "Additional Compensation"). In case of egregious circumstances, the Additional Compensation may be increased up to a maximum of six monthly salaries. The overall compensation may never exceed the residual value of the prematurely terminated contract.*"

68. The Appellant is the "*party in breach*" for the purposes of Article 6.1 of Annexe 2 to the FIFA RSTP and therefore must pay compensation to the Respondent.

69. Article 23 (2) of the Contract does "*otherwise provide*" for a contractual compensation clause which establishes in advance an amount due from the Appellant to the Respondent in case of breach of contract. It relevantly states:

"*(2) If this Agreement is terminated based on…other reason during the term of this Agreement, it will be sufficient for Club to pay Coach the remuneration corresponding to proportion of the period after the termination of this Agreement as to the remuneration set forth in Article 5(1)(1), and Club will be exempted from its obligation to pay the remuneration with respect to the period after termination of this Agreement.*"

70. This contractual compensation clause contains a typographical error; it cross-references to Article 5 as opposed to Article 6 of the Contract. It is clear from the actions of the Appellant that it sought to apply Article 6 of the Contract when it paid the November Salary and December Salary to the Respondent. The correct cross-reference in Article 6(1)(1) states that the:

"*…basic remuneration shall be stipulated in the contractual condition. The monthly equivalent of the basic remuneration (annual) divided into 11 instalments shall be paid to the back* [sic] *account designated by the Coach by the 25th of each month".*

71. This contractual compensation clause effectively replicates the compensation formula set out in Article 6.2(a) of Annexe 2 to the FIFA RSTP; the Appellant is to pay the Respondent the residual value of the Contract. The only difference is that the Contract provides that Appellant shall pay the Respondent on the same monthly salary payment cycle, as opposed to a single lump sum payment.

72. The Respondent did not challenge the validity or proportionality of this contractual compensation clause. Considering that it provides for the full residual value of the Contract to be paid by the Appellant (the party with *prima facie* stronger bargaining power) to the Respondent (the party with *prima facie* weaker bargaining power), the Sole Arbitrator deems the contractual compensation clause to be both reasonable and proportionate (cf *CAS 2015/A/3999 & 4000*).

73. The Decision – citing the Pre-Contract - calculated the compensation payable to the Respondent as consisting of the November Salary, the December Salary, and the January Salary, mitigated by the first month of the first year of the Molde Agreement. The FIFA PSC rejected the Respondent's claim for compensation arising out of the second "*optional year*".

74. The Appellant contended that any claim of the Respondent relating to the second "*optional year*" is inadmissible as he failed to appeal the Decision (cf *CAS 2019/A/6626*; *CAS 2017/A/5481*; *CAS 2017/A/5336*). In any event, the Respondent expressly waived any entitlement to compensation deriving from the second "*optional year*" in his letters dated 19 August 2025 and 29 August 2025. The Sole Arbitrator agrees with the Appellant in this regard. As a result, the Sole Arbitrator will not consider whether the second "*optional year*" should be included in the compensation payable to the Respondent.

75. The clear and express wording of the Contract states that the "*term of contract*" is "*from February 1, 2024 to December 31, 2024*". No mention, unlike the language cited in the Decision from the Pre-Contract, is made of January 2025.

76. The compensation payable to the Respondent, equivalent to the residual value of the Contract, is therefore the amount owing as from the date of the unilateral termination. The Sole Arbitrator finds that the date of termination is 26 August 2024 (i.e. the date of the meeting between the Appellant and the coaching staff) and not 3 September 2024 (i.e. the date the Appellant confirmed the unilateral termination in writing). The Appellant's actions in providing an offer to execute a mutual termination agreement was a "*point-of-no-return*" between the Parties; one after which the Respondent could not reasonably be expected to continue their employment relationship, equivalent to a formal act of unilateral termination. Considering the above, the period covering the residual value of the Contract which is owed as compensation is 27 August 2024 to 31 December 2024. The FIFA PSC therefore erred in including the January Salary (and subsequent mitigation based on the Molde Agreement) in its compensation calculation.

77. It is not in dispute between the Parties that when the claim was filed before FIFA, the Appellant had paid the Respondent his monthly salary for September 2024 and October 2024 in accordance with the Contract.

78. The Appellant subsequently paid the November Salary (25 November 2024) and the December Salary (23 December 2024) to the Respondent in accordance with the compensation clause in the Contract and prior to the issuance of the Decision. The Respondent admitted receiving the November Salary and the December Salary but contended that those amounts were paid in compliance with the Decision, as opposed to the Contract.

79. Considering this admission, it is therefore not necessary for the Sole Arbitrator to calculate the exact amount owed as compensation, as the Appellant has clearly fulfilled its financial obligations to the Respondent.

80. It is also clear to the Sole Arbitrator, however, that such obligations were fulfilled by the Appellant during the procedure before FIFA, in line with the compensation clause in the Contract, and not because of the Decision. The November Salary and December Salary had already been received by the Respondent prior to the issuance of the Decision and should have been notified to FIFA by the Respondent as soon as they were received accordingly. The FIFA PSC therefore erred in including the November Salary and December Salary in its compensation calculation.

81. As Appellant had no financial obligations to the Respondent prior to the Decision being issued, it follows that the most appropriate determination of this matter is that the Decision should be annulled.

## E. Conclusion

82. As such, the Sole Arbitrator:

- holds that the CAS had jurisdiction to determine the appeal; and
- annuls the Decision.

## IX. COSTS

(…)

# ON THESE GROUNDS

**The Court of Arbitration for Sport rules that:**

1. The appeal filed by Urawa Red Diamonds on 27 March 2025 against the decision issued by the Players' Status Chamber of the FIFA Football Tribunal (FPSD-17012) on 28 January 2025 is upheld.

2. The decision issued on 28 January 2025 by the Players' Status Chamber of the FIFA Football Tribunal is annulled.

3. (…).

4. (…).

5. All other motions or prayers for relief are dismissed.

Seat of arbitration: Lausanne, Switzerland
Date: 16 January 2026

# THE COURT OF ARBITRATION FOR SPORT

James Kitching
Sole Arbitrator